EXHIBIT 1

https://www.wsj.com/health/healthcare/medicare-health-insurance-diagnosis-payments-b4d99a5d

EXCLUSIVE HEALTHCARE

Insurers Pocketed $50 Billion From Medicare for Diseases No Doctor Treated

Questionable diagnoses of HIV and other maladies triggered extra Medicare Advantage payments; 'It's anatomically impossible'

By Christopher Weaver Follow *, Tom McGinty* Follow *, Anna Wilde Mathews* Follow *and Mark Maremont* Follow | *Graphics by Andrew Mollica* Follow

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Gloria Lee was perplexed when the phone calls started coming in from a representative of her Medicare insurer. Could a nurse stop by her Boston home to give her a quick checkup? It was a helpful perk. No cost. In fact, she'd get a $50 gift card.

After several such calls in 2022, Lee agreed. A nurse showed up, checked her over, asked her questions, then diagnosed her with diabetic cataracts.

The finding was good news for Lee's insurer, a unit of UnitedHealth Group UNH **0.07%** ▲ . Medicare pays insurers more for sicker patients. In the case of someone like Lee with diabetic cataracts, up to about $2,700 more a year at that time.

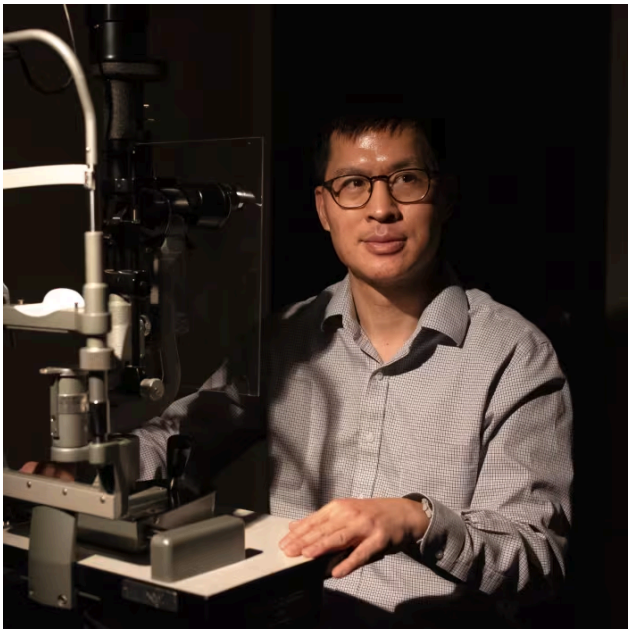
But the retired accountant doesn't have diabetes, her own doctor later said, let alone the cloudy vision sometimes caused by the disease.

Private insurers involved in the government's Medicare Advantage program made hundreds of thousands of questionable diagnoses that triggered extra taxpayer-funded payments from 2018 to 2021, including outright wrong ones like Lee's, a Wall Street Journal analysis of billions of Medicare records found.

The questionable diagnoses included some for potentially deadly illnesses, such as AIDS, for which patients received no subsequent care, and for conditions people couldn't possibly have, the analysis showed. Often, neither the patients nor their doctors had any idea.

Medicare Advantage, the $450-billion-a-year system in which private insurers oversee Medicare benefits, grew out of the idea that the private sector could provide healthcare more economically. It has swelled over the last two decades to cover more than half of the 67 million seniors and disabled people on Medicare.

Instead of saving taxpayers money, Medicare Advantage has added tens of billions of dollars in costs, researchers and some government officials have said. One reason is that insurers can add diagnoses to ones that patients' own doctors submit. Medicare gave insurers that option so they could catch conditions that doctors neglected to record. The Journal's analysis, however, found many diagnoses were added for which patients received no treatment, or that contradicted their doctors' views.



Insurers added diabetic cataract diagnoses to many patients treated by Goodyear, Ariz., ophthalmologist Dr. Howard Chen. PHOTO: REBECCA NOBLE FOR THE WALL STREET JOURNAL

The insurers make new diagnoses after reviewing medical charts, sometimes using artificial intelligence, and sending nurses to visit patients in their homes. They pay doctors for access to patient records, and reward patients who agree to home visits with gift cards and other financial benefits.

Insurers added diabetic cataract diagnoses to 148 patients treated by Dr. Howard Chen, an ophthalmologist in Goodyear, Ariz. He said he saw at most one or two such cases a year.

He said he charges insurers $40 per patient to cover his costs for providing them with medical charts.

“If they are just making stuff up, then why do they even need or want my charts?” said Chen.

In all, Medicare paid insurers about $50 billion for diagnoses added just by insurers in the three years ending in 2021, the Journal’s analysis showed.

UnitedHealth and other insurers say they use the home visits and chart reviews to help coordinate patients’ care and ensure accurate diagnoses.

UnitedHealth spokesman Matthew Wiggin said the Journal’s analysis is “inaccurate and biased,” and that Medicare Advantage “provides better health outcomes and more affordable healthcare for millions of seniors” than traditional Medicare.

He said Medicare Advantage plans record diagnoses more completely than doctors treating traditional Medicare patients, and that insurers “identify disease states earlier.” He declined to comment about Lee, citing a healthcare privacy law.

The Journal consulted more than a dozen experts, including academics, actuaries and policy analysts, about its analysis of the Medicare data, who said the methodology was sound.

A spokeswoman for the Centers for Medicare and Medicaid Services, which oversees Medicare, said the agency was making changes that would continue to ensure “taxpayer dollars are appropriately spent.” Medicare Advantage “offers robust and stable options” for beneficiaries, the spokeswoman said.

The Journal reviewed the Medicare data under a research agreement with the federal government. The data doesn't include patients' names, but covers details of doctor visits, hospital stays, prescriptions and other care. The Journal identified the patients named in this article through their doctors.

Some diagnoses claimed by insurers were demonstrably false, the Journal found, because the conditions already had been cured. More than 66,000 Medicare Advantage patients were diagnosed with diabetic cataracts even though they already had gotten cataract surgery, which replaces the damaged lens of an eye with a plastic insert.

"It's anatomically impossible," said Dr. Hogan Knox, an eye specialist at University of Alabama at Birmingham. "Once a lens is removed, the cataract never comes back."

Dr. Chen reviewing patient charts requested by Medicare Advantage insurers. PHOTO: REBECCA NOBLE FOR THE WALL STREET JOURNAL

Another 36,000 diabetic cataract patients didn't receive any medical services or prescription drugs related to diabetes.

No treatment

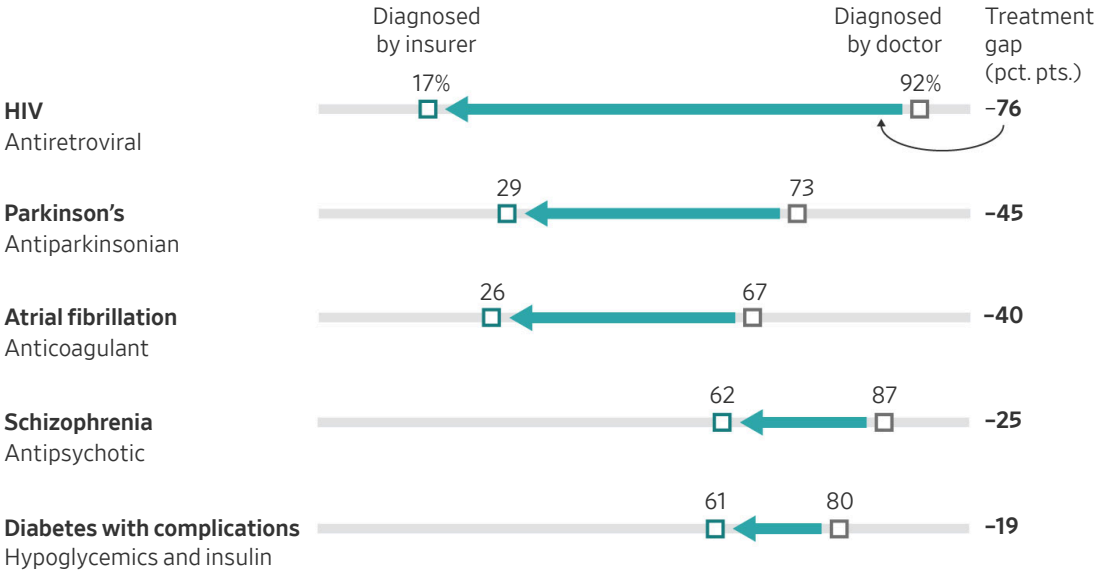
About 18,000 Medicare Advantage recipients had insurer-driven diagnoses of HIV, the virus that causes AIDS, but weren't receiving treatment for the virus from doctors, between 2018 and 2021, the data showed. Each HIV diagnosis generates about $3,000 a year in added payments to insurers.

Everyone with HIV should be on antiretroviral drugs, the only effective treatment, and nearly all Medicare patients whose doctors diagnosed the virus took the drugs. Less than 17% of patients with insurer-driven HIV diagnoses were on them, the Journal found.

"It seems like almost all of those people don't have HIV," said Jennifer Kates, HIV policy director at KFF, a health-research nonprofit. "If they did, that would be substandard care at a pretty severe level," she said.

Treatment Gap

Patients diagnosed with various conditions by Medicare Advantage insurers received typical treatments for their conditions at lower rates than those diagnosed by doctors.



Note: Includes diagnoses from 2018-21. Patients diagnosed by doctors include both Medicare Advantage and traditional Medicare enrollees. Numbers are subject to rounding.

A spokesman for Humana, the second biggest Medicare Advantage insurer, provided a written statement that said the Journal's analysis of treatment rates for people with insurer-driven diagnoses "is flawed and misleading."

The company said that internal data showed its HIV patients who got diagnosed in one way, through home visits, were on antiretroviral treatment at a far higher rate than the Journal found. The Medicare data show about one-third of those Humana patients were on the drugs.

Wiggin, the UnitedHealth spokesman, called the Journal's analysis flawed because it correlates insurer-driven diagnoses with subsequent medical care.

He said internal company data for 2022 showed a treatment rate for patients UnitedHealth diagnosed with HIV of more than triple what the Journal found. He said the pandemic disrupted care, lowering treatment rates during the period analyzed by the Journal, and that the analysis failed to account for patients who started treatments in future years.

The Medicare data, however, show UnitedHealth's patients with insurer-driven HIV diagnoses were on the antiretrovirals at low rates even before the pandemic, and hardly any started the drugs in the years after UnitedHealth diagnosed them.

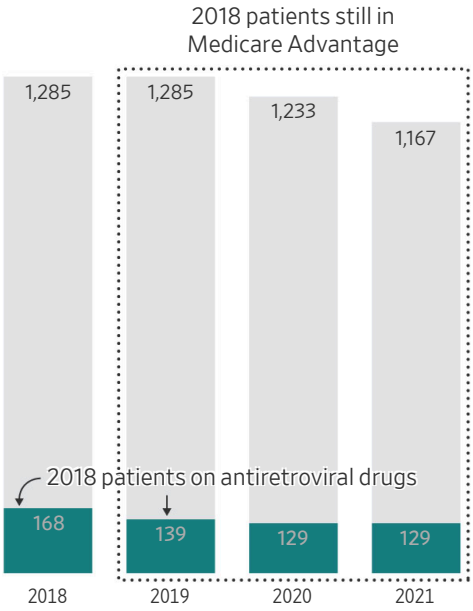
Some of the insurer-driven diagnoses startled patients. Harriet Siskin, a retired customer-service worker, was diagnosed last year with obstructed arteries in her legs by a doctor who visited her house on behalf of her insurer, Humana, which stood to make an extra roughly $2,300 a year from the diagnosis.

"He told me that I may have some sort of artery blockage," said Siskin, who tested negative a few months later after her regular doctor ordered a full work-up. "He did scare me."

Humana's written statement said Siskin's primary-care doctor also submitted the diagnosis when he treated her following the home visit. It said Humana learned from the Journal that Siskin had later tested negative for the disease, and was working to correct the diagnosis.

UnitedHealth's HIV Treatment Rate

The insurer diagnosed 1,285 patients with HIV in 2018. Most stayed in Medicare Advantage through 2021, but few received recommended HIV treatments.



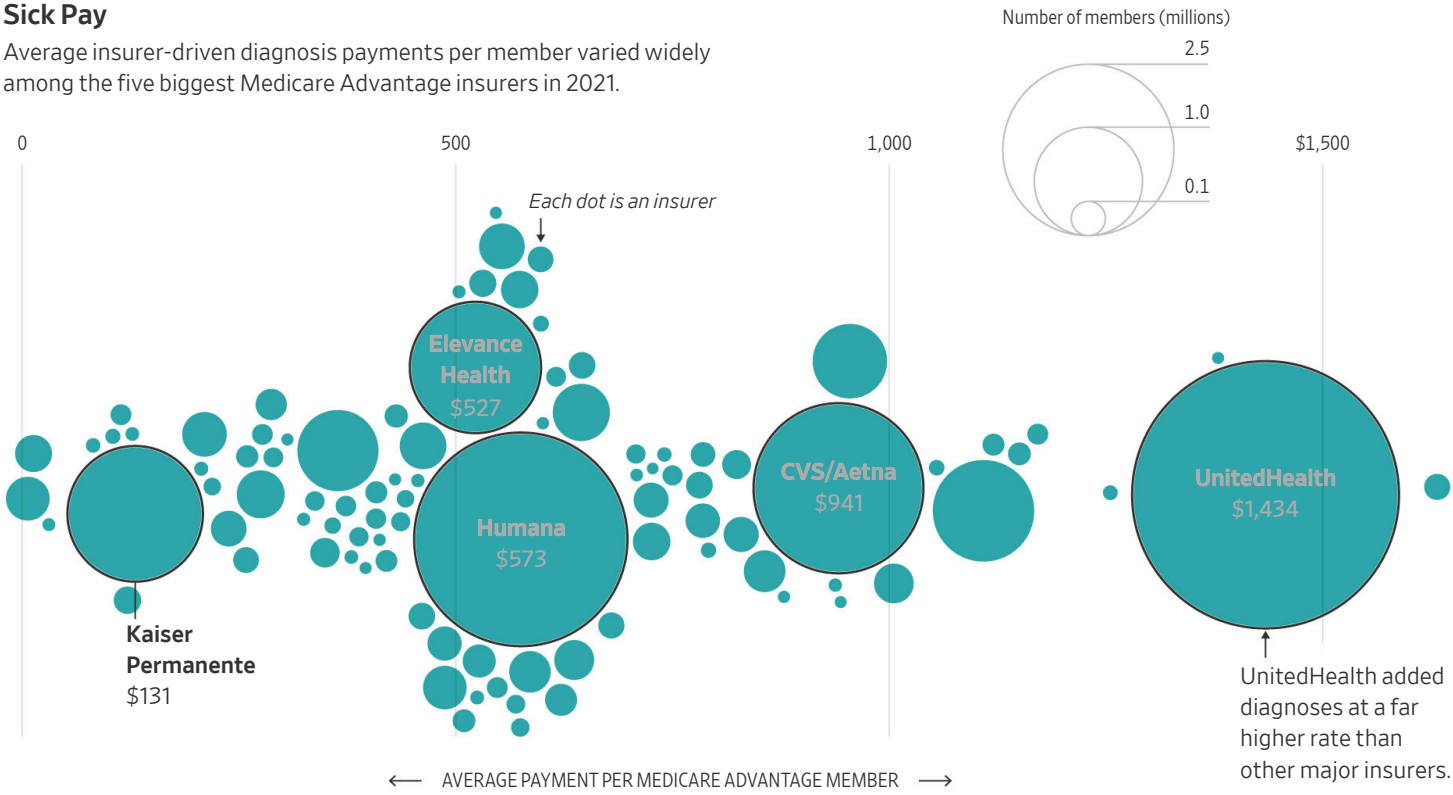
"[W]e strive for complete and accurate clinical information about our members, and to help them get the care they need," Humana said.

Many patients may never know they have been misdiagnosed by their insurers, and doctors often don't know when insurers have added diagnoses of their patients.

Insurer-driven diagnoses by UnitedHealth for diseases that no doctor treated generated $8.7 billion in 2021 payments to the company, the Journal's analysis showed. UnitedHealth's net income that year was about $17 billion.

Sick Pay

Average insurer-driven diagnosis payments per member varied widely among the five biggest Medicare Advantage insurers in 2021.



Note: Limited to insurers with 10,000 or more members.

UnitedHealth's Wiggin said the Journal's calculations appear accurate. He said the added payments are "not simply earnings for the company," but help pay for medical care, lower premiums and provide other benefits for Medicare Advantage members.

Humana disputed the Journal's calculation that the company had received $2.2 billion in 2021 payments from insurer-driven diagnoses, saying that total didn't reflect chart reviews that lowered payments by removing diagnoses.

Sometimes, insurers didn't remove potentially outdated diagnoses. The Journal's analysis found that between 2018 and 2021, nearly 50,000 Medicare Advantage patients completed a course of high-cost drugs that almost always cures hepatitis C, a virus that can cause serious liver damage.

Insurers subsequently told Medicare that more than half of the patients who had received the drug treatment still had hepatitis C in a future year, leading to millions of dollars in extra payments. The diagnoses came from the insurers' chart reviews and assessments, and from physician claims that insurers didn't correct.

"They're totally wrong," said Douglas Dieterich, director of the Institute for Liver Medicine at Mount Sinai Health System in New York. "Real world evidence is a 99% cure rate."

Cost concerns

When Congress conceived of the Medicare Advantage program decades ago, the hope was that insurers would make Medicare more efficient. In traditional Medicare, doctors and hospitals get paid for each service they provide, an incentive to provide more. The idea behind Medicare Advantage was to pay private insurers a lump sum to cover all services, giving them an incentive to keep patients healthier.

Harriet Siskin was diagnosed with obstructed arteries in her legs by a doctor who visited her house on behalf of her insurer. PHOTO: REBECCA NOBLE FOR THE WALL STREET JOURNAL

To protect insurers from the risk of winding up with sicker-than-average patients, the government allowed bigger payments for certain serious health conditions.

Partly because of that, Medicare Advantage has cost the government an extra $591 billion over the past 18 years, compared with what Medicare would have cost without the help of the private plans, according to a March report by the Medicare Payment Advisory Commission, or MedPAC, a nonpartisan agency that advises Congress. Adjusted for inflation, that amounts to $4,300 per U.S. tax filer.

Academic researchers and government investigators have raised questions about high rates of insurer-driven diagnoses in Medicare Advantage. In a 2021 report, the inspector general that oversees Medicare found the agency spent billions of dollars based on insurer-driven diagnoses for which patients received no care from doctors.

A 2019 whistleblower lawsuit by a Florida doctor alleged that an insurer submitted inaccurate diagnoses, including that a Medicare Advantage patient's foot had been amputated when it wasn't. The insurer, Freedom Health, denied the

allegations, and a spokeswoman for Elevance Health, which now owns Freedom, declined to comment.

In September, insurer Cigna Group agreed to pay $172 million to settle civil-fraud allegations by the Justice Department over its Medicare Advantage practices. Cigna admitted to adding diagnoses that weren't supported by patients' medical records. Cigna declined to comment.

Government contractors audit Medicare Advantage plans and eventually can recoup payouts for inaccurate diagnoses. An insurance industry trade group, AHIP, said in a written statement that such audits have found Medicare Advantage insurers to be highly accurate.

Medicare administrators are overhauling the list of diseases for which insurers earn higher payments. Some of the most heavily used diagnoses, including diabetic cataracts, will pay less or nothing extra after the changes take full effect in 2026. But new diagnoses, including asthma, were added to the list of conditions warranting extra payments.

CMS said its changes showed it is a "good steward of taxpayer dollars."

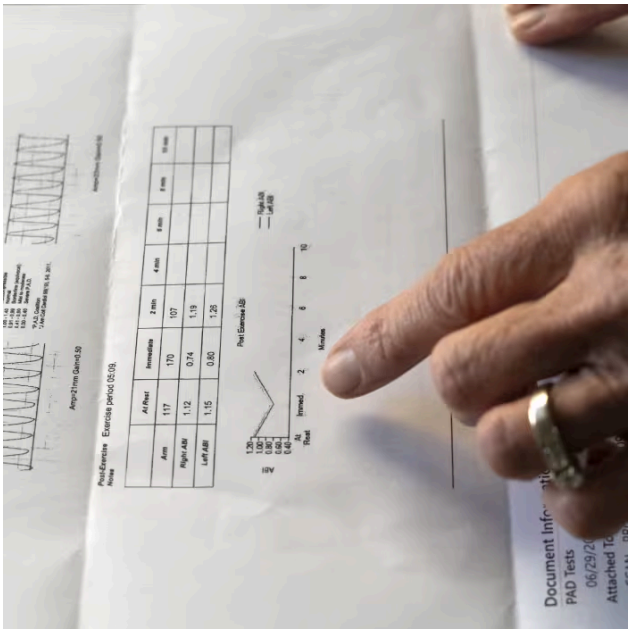
John Gorman, a former Medicare official and founder of two companies that review records and conduct home visits on behalf of Medicare insurers, doesn't think the changes will solve the problem. "Any time you base a system like this on diagnosis codes, there's going to be rampant abuse of the system," he said. Insurers "will find something else to make up the revenue."

In 2019, Medicare added dementia to the list of diseases that pay more. That same year, the reported rate of the disease among Medicare Advantage members jumped 7.8% after holding flat for years before that, University of Southern California researchers found.

Vision problems

Cataracts are extremely common in the elderly—pretty much everyone gets them. Diabetes also is common, so it isn't unusual for old people to have both. But eye doctors say they rarely diagnose cataracts caused by diabetes in old people. It usually isn't possible to pinpoint the cause, and in any case, the treatment is the same.

For Medicare Advantage insurers, a big difference between the two forms of cataracts is that the government only pays extra for the diabetic ones.



Siskin pointing to results of test ordered by a specialist who concluded that she didn't have peripheral artery disease. PHOTO: REBECCA NOBLE FOR THE WALL STREET JOURNAL

Some insurers interpreted U.S. guidelines for recording diagnoses in the broadest possible way, labeling patients with diabetes and any kind of cataract with the more lucrative diagnosis. They did it even when doctors said the patients only had the old-age form of the disease or had no diabetic complications at all, the data show.

"If you suspected that it could be connected, they felt they would be justified in connecting it," said Shannon Decker, a former UnitedHealth employee. "It's an easy capture."

UnitedHealth didn't respond to written questions about its practices for recording diabetic cataract cases.

Over four years, insurers added diabetic-cataract diagnoses to 112 patients of Dr. Stephen McConnell, an ophthalmologist in Brunswick, Ga., the data show. "That's unbelievable," said McConnell, who said he had no idea what was happening until informed by the Journal.

Dr. Javier Pérez, an Orlando, Fla.-based eye surgeon, treated hundreds of patients who insurers claimed have diabetic cataracts, the Medicare data show. On average, they were the same age as his old-age cataract patients, about 72.

"Just because you're diabetic doesn't mean you have a diabetic cataract," he said, adding that most almost certainly have old-age cataracts, not ones caused by diabetes. "You can be diabetic and be old," he said.

Lee, the 70-year-old retired accountant from Boston, recalled that her visit with the nurse practitioner sent by UnitedHealth lasted about 20 minutes. The nurse worked for HouseCalls, a unit of UnitedHealth.

UnitedHealth said that in 2023 three million "gaps in care" were identified during such home visits, which typically last 45 to 60 minutes. It said HouseCalls workers called ambulances 624 times that year after identifying emergencies, and that the visits had a 99% customer-satisfaction rate.

Former employees said UnitedHealth also uses the visits to add diagnoses. A HouseCalls home-visit training manual, which was reviewed by the Journal, describes software used on the laptops that workers carry on home visits. According to the manual, the software offers suggestions about what illness a patient might have—and even adds some automatically to a "diagnosis cart."

The nurse visiting Lee concluded that her minor cataracts were caused by diabetes that was severe enough to have triggered nerve damage, according to a letter from HouseCalls to her primary care doctor that was reviewed by the Journal. A diabetes test done during the visit was negative, according to the letter.

Lee's doctor, Nancy Keating, also a professor at Harvard Medical School, said her patient has never had diabetes, let alone complications like diabetic cataracts or nerve damage—a conclusion confirmed by subsequent blood tests.

"It's all just so wrong," Keating said.

Lee agrees. "If they're going to come out and diagnose people with things they don't have, they shouldn't get any more money," she said.

Lee switched to another health plan this year.

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